

Section 1 – General provisions

Art. 2199 – Definition

(1) The insurance contract is a contract by which, the policyholder or the insured engages to pay a premium to the insurer, the latter being engaged to, on the occurrence of the insured risk, make payments as appropriate to the policyholder, to the insurance's beneficiary or to the injured third party.

(2) The policyholder is the person that concludes the contract in order to insure a risk related to another person or to this person's goods or activities and is engaged to the insurer to pay the premium.

Art. 2200 – Configuration and evidence

(1) In order to be evidenced, the insurance contract must be in writing. The contract cannot be evidenced by testimony, even if there is a beginning of written proof. If the insurance documents have dissolved because of force majeure or fortuity and the procurement of a copy cannot be achieved, their existence and content can be evidenced by any means.

(2) The conclusion of the insurance contract is ascertained by the insurance policy or by the insurance certificate issued and signed by the insurer or by the cover note issued and signed by the insurance broker.

(3) The documents that ascertain the conclusion of the insurance can be signed and certified by electronic means.

Art. 2201 – Insurance policy

(1) The policy must at least specify:

- a) the name, the address or the headquarters of the contracting parties, as well as the name of the beneficiary of the insurance, if the latter is not part of the contract;
- b) the insurance's object;
- c) the insured risks;
- d) the beginning and the ending of the insurer's liability;
- e) the premiums;
- f) the insured sums.

(2) Other elements that the policy must include are provisioned by norms enacted by the state authority that has the legal jurisdiction to supervise the activity of the private insurance.

Art. 2202 – Types of insurance policy

The policy can be issued registered, to order or to bearer.

Art. 2203 – Notification regarding the risk

(1) The policyholder is obligated to respond in writing to the questions addressed by the insurer, as well as to affirm, at the contract's conclusion, any information or facts that the policyholder is aware of and that are material to the risk's evaluation.

(2) If the material facts on the risk change during the contract's execution, the insured is obligated to notify in writing the modification to the insurer. The policyholder who is aware of the modification bears the same obligation.

Art. 2204 – Inaccurate declarations or reticence on the risk

(1) Besides the general annulment causes, the insurance contract is annulled in case of inaccurate declaration or bad faith reticence made by the insured or by the policyholder related to circumstances that, if known to the insurer, would have determined the insurer not to give his consent or to give his consent under different conditions, even if the inaccurate declaration or the reticence didn't have any influence on the occurrence of the insured risk. The paid premiums remain to the insurer who can also ask for the payment of the premiums owed until the moment he became aware of the cause of the annulment.

(2) The inaccurate declaration or the reticence of the insured or of the policyholder, whose bad faith couldn't have been evidenced, doesn't annul the insurance. In case the acknowledgement of the inaccurate declaration or the reticence takes place prior to the occurrence of the insured risk, the insurer has the right to either maintain the contract and ask for the raise of the premium or to terminate the contract after a ten day period from the receipt of the notification, by returning to the insured or to the policyholder the part of the premium associated with the period of time in which the insurance was ineffective. When the acknowledgement of the inaccurate declaration or the reticence takes place after the occurrence of the insured risk, the insurance money reduces proportionally with the difference between the paid premiums and the premiums that were supposed to be paid.

Art. 2205 – Lack of insured risk

(1) The insurance contract becomes void if, prior to the moment when the insurer's obligation produces effects, the insured risk occurred or its occurrence became impossible as well as, after the aforementioned obligation produced effects, the occurrence of the insured risk became impossible. When the insured or the policyholder paid, even partially, the premium, he is entitled to get it back proportionally according to the unexpired period of the insurance contract.

(2) The amount of money between the paid premium and the premium calculated accordingly to the previous paragraph is given back to the insured or to the policyholder only if the insurance money isn't paid or isn't due for the occurrence of events during the insurance's availability period.

Art. 2206 - Payment of the premiums

(1) The policyholder is obligated to pay the premiums at the terms provisioned in the contract.

(2) The parties can agree to the one-off payment of premiums or to an installment plan. In lack of contrary provision, the payment shall be made at the insurer's headquarters or at their proxies 'headquarters.

(3) The evidence of the payment of the premiums is made by the policyholder.

(4) In lack of contrary provision, the insurer can terminate the contract if the amounts due by the policyholder as premiums are not paid at due date.

(5) The insurer is obligated to inform the policyholder about the consequences of not paying the premiums at due date as in the case stated at paragraph 4 and to display these consequences in the insurance contract.

(6) The insurer has the right to compensate the premiums that are due until the end of the insured year on the grounds of any contract with any insurance money inherited to the policyholder or to the beneficiary.

Art. 2207 –Notification of the materialization of the insured risk

(1) The policyholder is obligated to notify the insurer of the materialization of the insured risk in the contract's provided term.

(2) If the obligation stated in paragraph 1 is not executed, the insurer has the right to refuse to pay the insurance money if this lack of execution was the cause of the impossibility to determine the cause of the insured event's materialization and the prejudice's extent.

(3) The notification on the materialization of the insured risk can also be made by the insurance broker that has, in this case, the obligation to notify at his turn the insurer within the contract's provided term.

Art. 2208 – Payment of the insurance money

(1) In case of occurrence of the insured risk, the insurer must pay the insurance money accordingly to the provisions of the contract. In case there are dissensions related to the amount of the insurance money, the undisputed part of the insurance money will be paid by the insurer prior to the dissension's amicably or judicially settlement.

(2) In the cases provisioned in the insurance contract, insurance of goods and liability insurance, the insurer does not own insurance money if the insured risk occurred due to an intentional act on the part of the policyholder, on the part of the person entitled to the insurance money or on the part of a member of the policyholder's administration.

(3) If the parties agree, the provisions of the 2nd paragraph apply also when the insured risk occurred due to:

- a) persons that have reached majority and that live on a daily basis with the policyholder or with the person entitled to the insurance money;
- b) the policyholder's or the person entitled to the insurance money's representatives.

Art. 2209 – Contract's termination by notice

The termination by notice by one of the parties can be made only with respect to a 20 day period notice's passing from the receipt of the notification by the other party.

Art. 2210 – Insurer's subrogation

(1) Within the bounds of the paid premium, the insurer is subrogated in all the policyholder's or the person entitled to the insurance money's rights against those responsible for the loss occurrence, except for personal insurance.

(2) The policyholder is responsible for the losses brought to the insurer through acts that may limit the rights provisioned at the 1st paragraph.

(3) The insurer can renounce totally or partially to exercise the right provisioned at the 1st paragraph.

Art. 2211 – Contract's opposability

The insurer can oppose to the owner or to the keeper of the insurance document or to a third party or to the person entitled to the insurance money that invokes rights ensued by this document all the defenses based on the initial signed contract.

Art. 2212 – Insurance's cession

- (1) The insurer may cession the insurance contract only with the policyholder's written agreement.
- (2) The provisions of the 1st paragraph are not applicable to the portfolio cession between insurers in the special legislation's conditions.

Art. 2213 – Application

Mandatory insurances are provisioned by the special legislation.

Section 2 – Insurance of Goods**Art. 2214 – Definition**

The insurance of goods is the insurance by which the insurer is obligated to, at the occurrence of the insured risk, pay the insurance money to the policyholder or to the person entitled to the insurance money.

Art. 2215 – Insurance's interest (incentive)

The policyholder must have an interest regarding the insured goods.

Art. 2216 – Prevention of the occurrence of the insured risk

- (1) The policyholder is obligated to conserve the insured goods in adequate conditions in order to prevent the occurrence of the insured risk.
- (2) The insurer has the right to verify the way by which the insured goods are conserved under the conditions provisioned by the contract.
- (3) In the cases provisioned by the contract at the occurrence of the risk, the policyholder is obligated to take measures in order to limit the damages, at the insurer's expense and in the limits of the insured sum.

Art. 2217 – Insurance money

- (1) The insurance money is assessed depending on the state of the goods at the moment of the occurrence of the insured risk. The insurance money cannot surpass the value of the goods at that moment, the loss' quantum or the insured sum.
- (2) The parties can provision a clause, according to which the policyholder remains the sole insurer for a franchise; the insurer not being obligated to pay the insurance money for such franchise.

Art. 2218 – Partial Insurance

If the insurance contract was concluded for an insured sum that is inferior to the value of the goods and if the parties didn't provision otherwise, the insurance money obtained will be reduced according to the proportion between the provisioned sum and the value of the goods.

Art. 2219 – Multiple Insurance

- (1) The policyholder must declare the existence of all the insurances regarding the same goods, this obligation existing at the conclusion of the insurance contracts as well as throughout their execution.
- (2) When there are multiple insurances for the same goods, each insurer is obligated to pay in proportion with his participation on the risk and up to the insured sum, without the policyholder's possibility to receive bigger insurance money than the effective loss which is direct consequence of the risk.

Art. 2220 – Alienation of the insured goods

- (1) If not provisioned otherwise, the alienation of the insured goods does not determine the termination of the insurance contract that will continue to have effects between the insurer and the person that acquired it.
- (2) The policyholder that does not notify the insurer about the alienation and the person that acquired the goods about the existence of the insurance contract shall remain obligated to pay the premiums due after the alienation.

Section 3 – Credit and guarantee insurances; insurance of financial losses

Art. 2221 – Credit insurances and guarantee insurances

(1) Credit insurances and guarantee insurances can have as object the coverage of the risks of general insolvency, of export credit, of sales with installment plan, of mortgage loans, agricultural loans, of direct or indirect guarantees as well as others, in accordance with the norms enacted by the state authority that has the legal jurisdiction to supervise the activities in the insurance sector.

(2) If it was agreed that, through a direct credit and guarantee insurance contract, the risk of the non-payment of a credit would be covered, the insurer cannot condition the payment of the insurance money to the set off by the policyholder of the reclaiming procedures of the injury, including the foreclosure claim.

Art. 2222 – Insurance of Financial losses

If not agreed otherwise in the insurance contract, the insurance money for the insurance against the risk of financial loss must cover the effective loss and the unfulfilled gain, including general expenses as well as the expenses that directly or indirectly are ensued from the occurrence of the insured risk.

Section 4 –Liability insurance

Art. 2223 – Definition

(1) The liability insurance is the insurance by which the insurer is obligated to pay the insurance money for the third parties' damages that the policyholder is responsible for according to the law and for the expenses incurred by the policyholder during the civil trial.

(2) The parties can agree to include coverage for liability also for persons other than the contracting party.

Art. 2224 - Rights of the injured third parties

(1) The rights of the injured third parties are borne against those responsible for the generation of the injury.

(2) The insurer can be brought to court by the injured third parties within the limits of the insurer's contractual obligations.

Art. 2225 – Assessment of the insurance money

If not provisioned otherwise by the law, the insurance money is assessed by the agreement concluded between the policyholder, the injured third party and the insurer and, in case of dissension, by court's decision.

Art. 2226 – Payment of the insurance money

(1) The insurer pays the insurance money directly to the injured third party if the latter hasn't been indemnified by the policyholder.

(2) The policyholder's creditors cannot pursue the insurance money provided at the 1st paragraph.

(3) The insurance money is paid to the policyholder only if the latter proves that the injured third party has already been indemnified by the policyholder.

Section 5 – Personal insurance

Art. 2227 – Definition

The personal insurance is the insurance by which the insurer is obligated to pay the insurance money in case of death, of survival beyond a certain age, of total or partial permanent disablement or in other similar cases in accordance with the norms enacted by the state authority that has the legal jurisdiction to supervise the activity of the insurance sector.

Art. 2228 – Insurance against a risk of a person other than the policyholder

The insurance can be concluded against a risk of a person (person at risk) other than the policyholder, only if such person gives his written consent.

Art. 2229 – Rescission of the contract

(1) The policyholder that concluded a life insurance contract can rescind the contract without notice in a period of time of maximum 20 days from the contract's signing by the insurer. The waiver has retroactive effects.

(2) The provisions of the 1st paragraph are not applicable to the contracts concluded for a 6 months period or less.

Art. 2230 – Beneficiary of the insurance money

The insurance money is paid to the policyholder or to the designated beneficiary. If the policyholder dies and no beneficiary was designated, the insurance money shall be part of his estate for inheritance, belonging to the policyholder's heirs.

Art. 2231 – Designation of the beneficiary

(1) The designation of the beneficiary can be made either at the conclusion of the policy or during the policy period, by written declaration made by the policyholder and notified to the insurer or, with the consent of the person at risk, if such person is different than the policyholder, or through the policyholder's will.

(2) The substitution or the rescission of the beneficiary can be made anytime during the execution of the contract period according to the provisions of the 1st paragraph.

Art. 2232 – Multiple beneficiaries

When there are multiple designated beneficiaries, the insurance money is equally divided between them if there are no contrary provisions.

Art. 2233 – Occurrence of the insured risk due to an intentional act

(1) The insurer doesn't owe insurance money if:

- a) the insured risk occurred due to the insurer's suicide within 2 years from the conclusion of the insurance contract;
- b) the insured risk occurred due to the insurer's intentional act.

(2) If the occurrence of the risk is due to an intentional act of one of the beneficiaries, the insurance money is paid to the other designated beneficiaries or, in lack of other designated beneficiaries, to the policyholder.

(3) If the insured risk consists of the policyholder's death, the insured risk being intentionally provoked by the beneficiary, the insurance money will be paid to the other designated beneficiaries or, in lack of other designated beneficiaries, to the policyholder's heirs.

Art. 2234 – Premiums' reserve

(1) For insurances where there is a premiums' reserve, the policyholder can stop the payment of the premiums with the right to either maintain the contract at a reduced insured sum or to terminate with notice the contract requesting the restitution of the reserve accordingly to the insurance contract.

(2) Any other payment, regardless of the form under which was made by the insurer, different from the insurance money or the sum representing the reserve, according to the provisions of the 1st paragraph, cannot be made less than 6 months from the conclusion of the insurance contract.

Art. 2235 – Revival of the insurance

The policyholder or the insured having the policyholder's consent can ask for the revival of the insurance that has a reserve accordingly to the situations provisioned in the insurance contract.

Art. 2236 – Right to the insurance money

(1) The insurance money is owed independently from the sums obtained by the policyholder or by the beneficiary from social insurances, from the restitution of the injury by those responsible of its generation, as well as from the insurance money paid by other insurers according to other insurance contracts.

(2) The policyholder's creditors do not have the right to pursue the insurance money obtained by the insurance's beneficiaries or by the policyholder's heirs.

Art. 2237 – Prescription

The policyholders' rights on the amounts resulting from the reserves that are constituted in life insurances for due promise of payments cannot be prescribed.

Art. 2238 - Obligation of notification

The insurers and their proxies are obligated to make available to the policyholders or to the contracting parties information regarding the insurance contracts at their conclusion as well as during their execution. The information must in writing, in Romanian, must be coherent and must contain at least the following elements:

- a) the optional or supplementary clauses and the assets resulting from the reserves' capitalization;
- b) the beginning and the termination of the contract, including the possibilities of termination;
- c) the possibilities of payment and the terms of payment of premiums;
- d) the insurance money's calculation, reporting the re-buying sums, the reduced insured sums as well as the level up to which the sums are guaranteed.
- e) the possibilities to pay the insurance money;
- f) the applicable law of the insurance contract;

other elements established by norms enacted by the state authority that has the legal jurisdiction to supervise the activity of the insurance sector.

Section 6 – Coinsurance, reinsurance and retrocession

Art. 2239 – Coinsurance

- (1) The coinsurance is the operation by which 2 or multiple insurers cover the same risk, each one covering a portion.
- (2) Each coinsurer is responsible towards the policyholder only within the limits of the sum provisioned in the contract.

Art. 2240 – Reinsurance

- (1) The reinsurance is the insurance operation of an insurer that acts as reinsured by another insurer that acts as reinsurer.
- (2) By reinsurance:
 - a) the reinsurer receives reinsurance premiums in exchange for the reinsurer's obligation to contribute to the payment of the insurance money if the risk that made the object of the reinsurance contract occurs;
 - b) the reinsured assigns reinsurance premiums in exchange for the reinsurer's obligation to contribute to the payment of the insurance money if the risk that made the object of the reinsurance contract occurs;
- (3) The reinsurance does not extinguish the insurer's obligations and does not establish any legal relation between the policyholder and the reinsurer.

Art. 2241 – Retrocession

The retrocession operation is the operation by which the reinsurer can assign at his turn a part of the accepted risk.

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